

Remarks

The Office Action mailed June 1, 2007 has been carefully reviewed and the foregoing amendment has been made in consequence thereof.

Claims 1-26, 34, 36-43, and 57 are pending in this application. Claims 1-57 stand rejected. Claims 27-33, 35, and 44-56 have been cancelled.

The rejection of Claims 1, 13, 34, 44, and 57 under 35 U.S.C. § 101 as being directed to non-statutory subject matter is respectfully traversed.

The Office Action asserts at page 2 that Claims 1, 13, 34, 44 and 57 are directed “to non-statutory subject matter.” The Office Action further asserts that these claims are “directed to an algorithm” and that the steps “generating, determining and exporting...are mere ideas in the abstract...as they do not produce a useful, concrete and tangible result.” Applicants respectfully traverse these assertions. However, Applicants have amended independent Claims 1 to address the rejection set forth in the Office Action.

With respect to Claim 1, Applicants submit that the claims of the present patent application are directed to practical applications in the technological arts. “Any sequence of operational steps can constitute a process within the meaning of the Patent Act so long as it is part of the technological arts.” In re Musgrave, 431 F.2d 882 (C.C.P.A. 1970). For example, independent Claim 1 is a method for analyzing a deal that includes portfolios of distressed financial assets including loans or other financial instruments, using a network-based system including a server system coupled to a centralized database and at least one client system. Applicants submit that analyzing a deal that includes portfolios of distressed financial assets including loans and other financial instruments is a useful process that is considered to be within “the technological arts”.

Applicants further traverse the assertion included in the Office Action that Claims 1, 13, 34, 44 and 57 are directed to non-statutory subject matter under Section 101 in light of the

“Examination Guidelines for Computer-Related Inventions”. The Examination Guidelines for Computer-Related Inventions provides in relevant part as follows:

In order to determine whether the claim is limited to a practical application of an abstract idea, Office personnel must analyze the claim as a whole, in light of the specification, to understand what subject matter is being manipulated and how it is being manipulated. During this procedure, Office personnel must evaluate any statements of intended use or field of use, any data gathering step and any post-manipulation activity....Only when the claim is devoid of any limitation to a practical application in the technological arts should it be rejected under § 101. Further, when such a rejection is made, Office personnel must expressly state how the language of the claims has been interpreted to support the rejection.

Applicants respectfully submit that Claim 1 is limited to a practical application in the technological arts. Furthermore, Applicants respectfully submit that the Office Action does not expressly state how the language of Claim 1 supports the Section 101 rejection.

Claim 1 has been amended. Claim 1 recites a “method for analyzing a deal that includes portfolios of distressed financial assets including loans or other financial instruments”. Thus, Applicants submit that Claim 1 is directed to a useful process that is considered to be within “the technological arts”. Furthermore, Claim 1 recites a “method for analyzing a deal that includes portfolios of distressed financial assets including loans or other financial instruments, using a network-based system including a server system coupled to a centralized database and at least one client system”. The method includes “generating a cash flow data table from various data sources, the data table including data relating to each asset included within the portfolios, *the server system generates the cash flow data table...* automatically segmenting cash flow data by potential asset disposition types *by using the server system to apply the cash flow model*, each asset having a potential asset disposition type assigned thereto...determining a cash flow timing and an expense timing for each asset included within the portfolios based on the potential asset disposition type assigned thereto, the determination of the timings performed using the cash flow model *and the server system...* performing sensitivity analysis using a Monte Carlo Simulation Model to provide different scenarios based on a variety of assumptions retrieved from the database including expected timing of recoveries, amount of recoveries, interest rates, and expenses, *the server system uses the Simulation Model to generate a probabilistic distribution of*

a possible value of the deal including risk associated with uncertainty of future events....”

(Emphasis added). Thus, Claim 1 uses a server system and/or a client system to perform certain steps of the process. Claim 1 is therefore directed to a practical application in the technological arts.

For at least the reasons set forth above, Claim 1 is submitted to be directed to a practical application in the technological arts. Accordingly, Applicants respectfully submit that Claim 1 satisfies the requirements of Section 101.

Applicants also traverse that assertion that Claims 13, 34 and 57 are merely directed to abstract ideas and do not produce a useful, concrete and tangible result. For example, Claim 13 is directed to a system for managing portfolio cash valuation for analyzing a deal that includes a portfolio of distressed financial assets including loans or other financial instruments, wherein the system includes “at least one client system...at least one server system coupled to a database for storing data...and a network connecting said at least one client system to said server system, wherein said server system is configured to...export cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks.”

In other words, Claim 13 is directed to a system that includes at least one client system, at least one server system coupled to a database, and a network connecting the client system and the server together, wherein the server is configured to, among other things, export cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks. Clearly, the computer system recited in Claim 13 is not an abstract idea, and said computer system does produce a useful, concrete and tangible result.

With respect to Claim 34, Claim 34 recites a “computer program embodied on a computer readable medium for analyzing a deal that includes a portfolio of distressed financial assets including loans or other financial instruments, said computer program capable of being processed by a server system coupled to a centralized interactive database and at least one client system, said computer program comprising...a code segment that receives information from

various data sources...a code segment that exports cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks.”

In other words, Claim 34 is directed to a computer program embodied on a computer readable medium. The computer program is capable of being processed by a server system coupled to a centralized interactive database and at least one client system. The computer program comprises, among other things, a code segment that receives information from various data sources and a code segment that exports cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks. Clearly, the computer program recited in Claim 34 is not an abstract idea, and said computer program does produce a useful, concrete and tangible result.

Claim 44 was cancelled.

Claim 57 recites a “computer for analyzing a deal that includes a portfolio of distressed financial assets including loans or other financial instruments, the computer coupled to a database, said computer programmed to ...generate a cash flow data table from various data sources, the data table including data relating to each asset included within the portfolio...export cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks.”

In other words, Claim 57 is directed to a computer for analyzing a deal. The computer is coupled to a database. The computer is programmed to, among other things, generate a cash flow data table from various data sources, and export cash flow projections into a pre-determined format to develop financially attractive bids for the deal that takes into account a variety of foreseeable risks. Clearly, the computer recited in Claim 57 is not an abstract idea, and said computer does produce a useful, concrete and tangible result.

For at least the reasons set forth above, Claims 13, 34 and 57 are submitted to be directed to a practical application in the technological arts. Accordingly, Applicants respectfully submit that Claims 13, 34 and 57 satisfy the requirements of Section 101.

For at least the reasons set forth above, Applicants respectfully request that the Section 101 rejection of Claims 1, 13, 34, 44 and 57 be withdrawn.

The rejection of Claims 1-57 under 35 U.S.C. § 103(a) as being unpatentable over Johnson et al. (U.S. Patent No. 6,985,881) (“Johnson”) in view of Johnson is respectfully traversed.

The rejection based upon Johnson is improper. The American Inventors Protection Act of 1999 (AIPA) amended 35 U.S.C. § 103(c) to disqualify references used in a rejection under § 103(a) that only qualify as prior art under § 102(e), § 102(f) or § 102(g) against the claimed invention if that subject matter and the claimed invention “were, at the time the invention was made, owned by the same person or subject to an obligation of assignment to the same person.” Consequently, subject matter that is applied in a rejection under 35 U.S.C. § 103(c) based upon prior art only available under 35 U.S.C. § 102(e) is disqualified as prior art against the claimed invention if that subject matter and the claimed invention “were, at the time the invention was made”, owned by the same person or subject to an obligation of assignment to the same person. Applicants assert that Johnson, the reference used as the basis for rejecting the present claims, does not qualify as prior art against this application because it is disqualified by 35 U.S.C. § 103(c).

The effective date of the AIPA is November 29, 1999. Johnson claims priority to a provisional patent application filed on December 30, 1999, which is after November 29, 1999, so it is subject to the provisions of the AIPA. Johnson also appears to have been applied as 102(e) prior art reference because the other sections of 35 U.S.C. § 102 clearly do not apply to the Johnson reference in this case.

Common Ownership. Additionally, this pending application and Johnson were, at the time the invention was made, owned by, or subject to an obligation of assignment to, the same person. Specifically, the present application and Johnson, at the time the invention of the present application was made, were subject to an obligation of assignment to General Electric Company.

For at least the reasons as set forth above, Applicants respectfully request that the 35 U.S.C. § 103(a) rejections of claims 1-57 be withdrawn.

In view of the foregoing amendments and remarks, all the claims now active in this application are believed to be in condition for allowance. Reconsideration and favorable action is respectfully solicited.

Respectfully Submitted,



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